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FRACTIONAL CURRENCY COLLECTORS BOARD

MAY 1999 NEWSLETTER

ANNUAL MEETING

Our annual meeting will be, as always, held in conjunction with the International Paper Money Show in Memphis June 18-20, 1999. The headquarters hotel is the same as always, but it has changed ownership. Instead of being the Holiday Inn Crowne Plaza, it is now the Memphis Marriott Downtown. Call soon for reservations at 901-527-7300. Make sure you tell them you are with the IPMS. Rooms are $84/night. The Memphis Coin Club has as a secondary hotel the Sleep Inn at 40 N. Front St. Call them at 901-522-9700 for reservations. If you can, please make plans to attend Memphis. It's quite the paper money show and you won't want to miss it.

Our meeting place this year will be a bit different from years past. Due to our past experiences of not having enough time to do business and have a program, Tom asked Mike Crabb to allow us to have an hour and a half. He worked hard on this and it will happen! Our meeting will be on Saturday from 2PM to 3:30PM in the Mark Twain Theater. This is the room located on the second floor just as you get to the ramp going from the hotel to the convention center. Please tell Mike how much you appreciate his work on this and allowing us this extra time. Tom will be presenting the program this year on Treasurers and Registers of the Treasury.

EXHIBITS

It is not too late to put together an exhibit for Memphis. It would sure be nice to see at least a couple of new exhibitors place exhibits this next year. Exhibit applications can be received from the show exhibit chairman and FCCB founder, Martin Delger. Write him at 9677 PawPaw Lake Dr. Mattawan, MI 49071. Once again, Len and Jean Glazer have donated awards for the top three exhibits in fractional. Thank you both and all to all of you—please take a moment to tell them or drop them a note of THANKS for supporting the club in this manner for so many years.

MEMPHIS SALE

R. M. Smythe will be hosting an auction in Memphis that will be of interest to our members. I do not have all the particulars, but if the back page of the BankNote Reporter is any indication, it will be of interest to our group. Martin Gengerke of Smythe tells me there are a number of high grade notes, including many Justice and Spinner notes, plus several uncut pairs of Fourth Issue ten and fifteen-cent notes which are the only ones known outside the Boyd/Ford collection and trace their pedigree back to Frank Limpert. Other rarities are rumored to exist in the sale. If you would like a catalog, contact Smythe at 1-800-622-1880.

DUES

Yes, dues were due in January. The good news is our membership roster currently stands at 187. The bad news is that 51 of our members have not paid their dues for 1999. I know that many will pay Dr. Lee at Memphis, but if your name is listed below, this will be the last newsletter you will receive until your dues are paid up. As always, if your name is on the list and you have paid, please drop me a note. Dr. Lee and I have good, but not perfect communication and I am a much better collector than secretary.

RICK ALEXANDER
MARILYN ANINGER
CHRIS ANKWER
J. AUSTIN
DOC BAYNE
DAVE BERG
DAVID BOHRER
ARTHUR J. BROWN
TOM BUTLER
MICHAEL G. CHESTNUT
LOUIS DESANTIS
TOM DURKIN
LARRY FALATER
JOSEPH M. FARR
HAROLD FORD
M.R. FRIEDBERG
GAMMA TECHNOLOGY
MARTIN GARRINGER
MARTIN GENGERKE
JOE GRAVES
JOHN GRISHAM
DAVID HARPER
FRANK HARRIS
MARK JACOBSON
PHILLIPP JASON
DON KAGIN
BEN A. KARNEFSKY
PAUL A. KATZMAN
ROBERT J. KRAVITZ
KENNY KUGLER
DAN LESICKO
WAYNE J. LIECHTY
RONALD M. LINDLER
RANDALL K. LUNG
CHRIS McKENNA
WILLIAM MCNATT
ADAM MENDELOWITZ
ERNIE MILLER
KEN MOULTON
KENNETH W. MULLANE
RICHARD NADEAU
V.H. OSWALD
RICHARD PERRICELLI
R.H.ROCKHOLT
MICHAEL SAVAGE
CARL SCHMITT
HARRY A. SCHOOLS
KENNETH SULTANA
GEORGE WEHRMAN
DANIEL WISHNATSKY
NICHOLAS S. YORK
EDWARD L. YORK
ROSCOE YODER

AWARD WINNERS

Speaking of exhibits, we have had some fractional currency exhibits win some awards at a couple of large shows of late. Bob Laub won second place at the ANA mid-winter convention in Portland with his exhibit on Fessenden. I was fortunate enough to take first place at the Texas Numismatic Association show last weekend in Houston with my exhibit on CSA Watermarked Paper.

DUES INCREASE

Discussion about an increase in dues and new member fees will be one of the main topics of discussion at our meeting. Due to the increasing cost of postage and especially copying, I will be proposing an increase in fees for the year 2000. Be thinking of how you feel about this and let me know what you think before hand if you are not going to the meeting. I will be proposing that we raise regular member dues to $15/yr. I will also propose that we institute a tiered system for new members. For $15, they would get added to the mailing list and receive all future items. For $20 they would also get the Simplified Edition of the Encyclopedia. And for $30, they would also get the complete package, including the simplified and the complete Encyclopedia. This topic **WILL** be decided at our Memphis meeting so we need to know how ***YOU*** feel about this if you are not going to attend the meeting.

ENCYCLOPEDIAS

I just wanted to take a quick note to remind all of our members about the copyright on the Encyclopedia. Whatever you choose to do with your copy is entirely up to you. However, please remember that the encyclopedia is copyrighted and you cannot make a copy of it, even for yourself, and then sell your original copy without the prior approval of the copyright holder—Milt. These have been showing up in the secondary market, commanding a premium, so please remember the copyright. If you need a copy for your use, you can buy them at cost from me. However, I will say that I take a lone and personal stand and will not sell them for placement in the resale market.

BOOKS

I still have an ample supply of the books Tom reproduced and bound relating to fractional for your reading pleasure. It is a copy of a book printed in 1882 entitled ***"My Ten Years in Washington."*** Tom will regain possession of them at this years Memphis if you would like to buy one. I would imagine the price will stay at $5.00. This is really a neat book telling about the early Treasury Department and one you should all be very interested in.

A MESSAGE FROM THE PRESIDENT

Hello everyone and yes this is the last time you get to read my words before we all get the chance to speak to each other live in Memphis!! The Fractional Currency Collectors Board will be holding it's annual meeting on Saturday afternoon, June 19, 1999 in a meeting room that will be designated upon our arrival at the Convention. So look for the official meeting schedules posted everywhere at the show for the place and time. The Memphis Coin Club's 22nd International Paper Money Show has always, and will again be, the premier paper money show held in the country. I have extolled its virtues endlessly in the past and will spare the reader of my 10-minute diatribe so listen closely.... BE THERE!!!!! Besides attending the FCCB annual meeting you can also spend time with fellow collectors, study the great fractional exhibits (as well as the multitudes of other paper money exhibits), find new notes for your collection on the bourse, attend a meeting of another society which may peak your interest, bid for that key note in the auction, listen to an educational talk at the FCCB meeting, share some phenomenal meals with friends over which one can learn something new about the hobby, sell me your Fr 1255a, or just have fun.

There is definitely TOO much for everyone. One of the fractional highlights of the show each year are the exhibits. Again this year Len and Jean Glazer have contributed the awards for the Fractional Exhibits – 1st, 2nd, and 3rd place. There has been much competition in this category in the past, and I believe this has ratcheted up the level of some of the exhibits, much to the viewers benefit. These exhibits present some of the best opportunities to see many rare notes that may not be available in the market, and the research behind them is top notch. Of course this is not to scare off any newcomers to the exhibiting game because as I am proof positive, even a simple straightforward representation of an idea using your collection can be enlightening to fellow collectors. Additionally, at the FCCB annual meeting I will be giving a presentation on *Treasurers and Registers of the Treasury During the Fractional Currency Issuing Period*. Yes it will be an official slide show, and although many of the notes from my exhibit last year will be in it, there will be many others and most importantly, some great (hopefully) biographical information too. Now remember, if anyone is bored stiff with this thought please contact me ASAP so I can fit your presentation into the official schedule. Really, I have been working on this project for awhile, and since no other takers for the talk came forward I am happy to give it, but I am totally open to anyone else who has prepared something and would like to present.

On the new material front, we have been lucky to have three offerings of fractional related material in the near future. First is the Bowers & Merena auction on May 7-9, 1999 of the Harry W. Bass, Jr. Collection, Part I in which there is a rare Pink Fractional Currency Shield and 7 very rare (some unique) Postage Currency pattern coins. Did you know that they were made in 1868 as well as 1863? See the descriptions elsewhere in this newsletter for more information. Also, Currency Auctions of America will be holding their Spring 1999 Sale in May, which has dozens of lots of Fractional Currency, highlighted by many rare Justice and Spinner notes. Finally, R.M. Smythe will hold the Memphis auction, and although not yet

printed, there appears to be some very interesting (4^{th} issue pairs) notes in their advertisement for the show in Bank Note Reporter. I am sure with those types of rarities in the ads, that there must be more behind it, so my guess is ...watch out for some nice rarities becoming available soon. Please contact the above auction houses for these catalogs if you haven't already, because they will be interesting references to look back on in the future.

I believe we are still running at a pretty good new member pace, and am really looking forward to Membership Chairman Bill Brandimore's report at the annual meeting. I have a feeling we will all hear much good news. Additionally, Dr. Wally Lee will give us our Treasury Report, and I feel that we should be in okay shape, however, Editor Benny Bolin will bring up the dues structure, mostly because of the costs of shipping Encyclopedias and newsletters.....so this will be discussed in Memphis too. Finally, we have some bad news.... we all should take a moment to remember our fellow FCCBer Ray Ellenbogen, who recently passed away. You may have seen some remembrances of him in the general numismatic press, and he will be dearly missed. He was a great exhibitor of paper money, and was always willing to share his knowledge with the rest of us. He had many close friends in the FCCB and I hope his example will be followed by all as his legacy lives on.

Remember – all FCCB members of the American Numismatic Association (ANA) – the elections for board members will be soon and this is a reminder that fellow FCCBer John Wilson is running for re-election, as well as many others (18 running) who are paper money collectors and would serve our interests best. So take a good look at the candidates and remember to support those who will support us.

AND FINALLY……………

HELP!!!!!

Phew.... This has been a really exhausting year so far and keeping this organization moving forward is trying. So please...and I know it is tiring to hear this again BUT...if there is ANY way you feel you can help out with the Fractional Currency Collectors Board than please feel free to contact me or our wonderful Editor – Mr. Benny Bolin. Anything you can add, big or small, would be appreciated.

Thanks and I look forward to seeing you all in Memphis...and if not, then I am sure I will hear from you soon!!!!!

Fractionally Yours

Tom O'Mara
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Rumson, NJ 07760
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P.S. I think there will be a surprise for us all at Memphis – a website? - a block of 1373a's ready to be cut up and distributed?? - What could it be?? Stay tuned....

FRACTIONAL CURRENCY SHIELDS

Excerpted from the Auctions by Bowers & Merena Sale Catalog of The Harry W. Bass, Jr. Collection, Part I

The Fractional Currency shields consisted of a printed shield-shaped background (nearly always gray in color, but sometimes pink or green) on which were pasted by hand 39 different Specimen (printed on one side only) Fractional Currency notes, typically consisting of from 20 fronts and 19 backs, all from the 1st, 2nd, and 3rd issues. These are believed to have been made in 1867 and thus included the 15-cent Grant and Sherman notes (introduced in 1866) but were too early for the 4th issues, which made their debut in 1869.

Mounted under glass in a sturdy wooden frame, the Fractional Currency Shields were sold for $4.50 each and were intended for distribution to National Banks, where they could be displayed on a wall and used to detect counterfeits, by matching a suspected note with the same design pasted on the shield. Before most were shipped, their storage room in the basement of the Treasury Building in Washington was flooded to a depth of an inch or so, with the result that most shields became stained along the bottom border.

The counterfeit detection plan and the interest of banks in acquiring the shields proved to be less than expected, and in 1869 F.E. Spinner, Treasurer of the United States, reported that the remaining examples in Washington had been destroyed. However, it seems that a few were kept on hand, and later augmented with a few later Fractional Currency notes, sometimes with a postage stamp or two. As to how many were issued, the writer is aware of no specific records. Estimates have ranged from about 200 to 400. Of this number we have handled, perhaps, 50 examples over a long period of years since the 1950's. However, this is not representative of the typical professional numismatic firm, as we have made a special point of buying shields whenever nice ones are offered to us at a price considered to be reasonable.

Among the first appearances of a Fractional Currency Shield in numismatics was an offering by Philadelphia dealer Ebenezer Locke Mason, Jr., in *Mason's Coin and Stamp Collectors' Magazine*, January 1868, where they were offered for $6 each with the comment that they had just been released. Mason was early in the numismatic game, and in 1860 (in Boyd's Directory) was listed at 453 North 2nd Street, "Coins bought, sold, and exchanged." Other coin dealers in the city in the same year included Edward Cogan, 48 North 10th Street; William Idler, 111 North 9th Street; A.C. Kline, 824 Walnut Street; and Alfred W. Newton, northwest corner of 20th and Spruce Street. In the 1870s, Mason was among several dealers who actively bought, sold, and traded Fractional Currency notes and, occasionally, the shields. Confederate States of America notes were also a

stock in trade. However, federal notes such as Legal Tender issues commanded virtually no numismatic attention or interest.

In the 1870s, J.W. Scott & Co. was among the more active dealers in Fractional Currency, perhaps because the firm was best known for trading in stamps, and philatelists often collected Fractional Currency notes. The Noel Gray Collection, catalogued by David U. Proskey and auctioned by J.W. Scott on October 27-28, 1879, included a Fractional Currency Shield, among the earlier examples to cross the auction block. In the same year, Proskey was especially busy helping Scott sell the 500 restrikes he (Scott) had made of the 1861 Confederate States of America half dollar; later, Proskey would report that the marketing program as it appeared in print was strewn with red herrings. On December 18, 1881, the Hawaiian Collection – same cataloguer, same auction firm – included a Fractional Currency Shield. It could have been that Scott had a small stock of these and featured them from time to time in auctions.

As might be expected, in modern times just about any numismatist interested in 19th-century numismatics has included the Fractional Currency Shield on his or her "must have" list. Albert A. Grinnell's example with a pink background was sold in Part VI of his collection, by Barney Bluestone in June 1946.

Among any and all numismatic items produced in American history, the Fractional Currency Shield is no doubt the most "displayable" in its original form. Indeed, these are one of only a few such items originally intended for this purpose.

FRACTIONAL THOUGHTS

1865 – founding of the Secret Service headed by Colonel Baker. Set up as a unit within the Treasury Department to combat COUNTERFEITING. At this time, it is estimated that nearly one-third of all currency in circulation is counterfeit. After thinking about this for a while, it seems odd that there are not more known counterfeit fractional currency pieces floating around. Granted the offenders may have been focusing on the larger size bills, but given the ease of passing lower denomination highly circulated bills must have led to great amounts being counterfeited. Think of all the fractionals we have in our collections and see in dealer inventories on bourses around the country, and then do the math.

Question: If 33% of all notes were counterfeit, why do they seem to come up in a blue moon?

Answer: Granted the Secret Service was highly successful in purging the land of the counterfeit notes, both large size and fractional, but odds are that they should still exist in quantities we are probably not aware of. How many do you think you have in your collection? Oh NO – Maybe they are so prevalent that all my notes are counterfeit, and my few counterfeits are actually the real thing!!!!!!

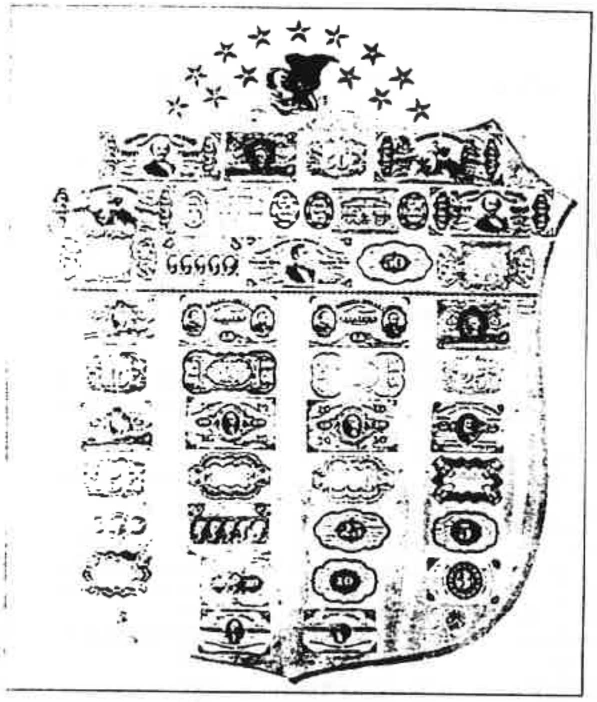
I haven't heard anything from fellow FCCBer's regarding the F.E. Spinner signed fractional currency shield I wrote about in the last newsletter. Oh well, I am just going to have to find it myself. However, on the fractional shield front, as of this publishing time, there will have been two more (to my knowledge) auctioned off. One of the great numismatists of the 20th century, Harry W. Bass, Jr. recently passed away, and although he was not a fractional collector, he had two shields: one gray and one pink.

Mr. Bass was one of the largest benefactors to the American Numismatic Society (ANS) in New York City, and actually had set up the Harry Bass Research Center (HBRC) which dealt with his collections. Most of his holdings have been cataloged and can be accessed on-line through the HBRC directly, or as a link from the ANS website. I have spent time going through it and yes they have fractional currency. The joint effort by the HBRC to catalog not only Mr. Bass's holdings, but also the ANS holdings has been a large work in process, but will continue into the future thanks to Harry Bass's generosity and love of numismatics. I have found the most interesting part of the fractionals to be the individual pieces which are listed that are actually part of the Treasury Presentation Book held by the ANS, as well as the numerous listings for fractionals which are stamped and/or marked "Counterfeit". Now there they are!!!!! Okay, I don't have to fret now, it seems as if some of my collection may be authentic. Phew!!!

In order to better focus the resources of the HBRC in the future, an auction was held on May 7 – 9, 1999 in New York to sell off some of the non-core holdings of Harry W. Bass, Jr. The fine catalog by Auctions by Bowers and Merena is only Part I of this process, and portrays an amazing collection. WOW -- is all I can say! I only wish that my core collection could ever match the Bass non-core holdings. The first 275 lots are all U.S. currency and there will be some records set, and it is this section which has the two shields (see related write up) Additionally, Harry Bass's pattern collection follows, and there are some phenomenal U.S. Postage Currency pattern coins in this section. Seven lots (1080-1086) depict some of the rarest postage patterns ever assembled and there will be more on these elsewhere in newsletter. Hopefully, many fellow FCCBer's will have an opportunity to add some of these rarities to their collections and can tell us about them in a future newsletter, or at Memphis.

INKBURN – Can anyone help out with this? I have received an E-mail from a new FCCBer asking for some advice on this subject. You know, the wear through which occurs on many notes which are hand signed!! Well, how does it occur? Why on some notes and not others? Does it affect value? Is it a specialty-collecting field possibly? Etc, etc... so if anyone can jot down some thoughts on this to share with us all, it would be greatly appreciated and acknowledged here in our next newsletter.

Well, that's all for now and please keep those cards and letters coming with any and all FRACTIONAL THOUGHTS so we can share them with each other.



AN EXAMPLE of a currency shield purchased by merchants and bankers to verify whether they received a genuine or a counterfeit fractional note.

Postage currency

Use of stamps as emergency money leads to First Issue fractional notes

By Michele Orzano
COIN WORLD Staff

For many, postage stamps are only something to collect, utilitarian items needed to pay for postal delivery or forgotten relics of a nonelectronic mail age.

But almost 140 years ago postage stamps played a very important role in the nation's economy when they began to be used to compensate for the lack of small change.

"On July 17, 1862, at the suggestion of Salmon P. Chase, President Lincoln signed into law a bill authorizing the acceptance of stamps as currency. Post office supplies of regular stamps were exhausted before special stamps without gum could be prepared," according to Gene Hessler in his *The Comprehensive Catalog of U.S. Paper Money*.

Hessler writes that soon the Treasury "had a sticky problem on its hands — the redemption of millions of soiled stamps, many of which had adhered to other stamps."

Soon thereafter the Treasury began issuing small notes with designs resembling postage stamps "but these had no legal backing because the law of July 17 applied only to genuine postage stamps. This defect in the law was corrected by the Act of March 3, 1863, which clearly stated that the government would issue fractional currency notes," according to Hessler.

Fractional currency notes bear denominations under one dollar. They were issued in six denominations – 3 cents, 5 cents, 10 cents, 15 cents, 25 cents and 50 cents – and began circulating in 1862 in an effort to alleviate the shortage of small change during the Civil War. There are five issuing periods for fractional currency, which was last issued in 1875.

The first issue was produced in denominations of 5, 10, 25 and 50 cents, from Aug. 21, 1862, to May 27, 1863, according to *The Encyclopedia of United States Fractional & Postal Currency*, by fractional note researcher Milton R. Friedberg.

According to Friedberg, the "designs" for the first issue came from Gen. Francis E. Spinner, treasurer of the United States at the time. "The first preliminary 'Artist' design of the postal currency was made when General Spinner pasted actual postage stamps on sheets of U.S. Treasury Department letterhead, ..." according to Friedberg. This first issue is generally called postage currency rather than fractional currency because of their resemblance to postage stamps.

Spinner served as U.S. treasurer from 1861 to 1875. It seems only fitting to have his portrait used on Third Issue 50-cent notes. His elaborate signature on these notes and others remains an attraction for paper money collectors.

Friedberg said because the National Bank Note Co. was already printing U.S. postage stamps at the time, the firm was given the contact to produce the first issue of fractional currency. The first notes were issued in uncut sheets to the Treasury. Later, to improve security, the American Bank Note Co. was given a contract to print the backs of the notes while the NBNC continued to print the face side. An "ABC" monogram was added to the lower right corner of the back of the notes printed by ABNCo.

The small notes measure approximately 1.5-inches by 2.5-inches and have black backs while the face was printed in various shades of brown. He said basic varieties come with perforated or straight edges and with or without the ABNCo. monogram on the back. Jefferson's portrait appears on the First Issue 5- and 25-cent notes while Washington's portrait can be found on the First Issue 10- and 50-cent notes.

A portion of a June 3, 1864, letter to James A. Garfield from Secretary of the Treasury Salmon P. Chase outlining the reasons behind the issuance of fractional currency, is reprinted in Friedberg's book.

In his letter, Chase points out that the hoarding of small silver coins made it necessary to issue "a fractional currency authorized by the national government. The people demanded protection from the illegitimate and often worthless issues of checks, tokens, tickets and all sorts of substitutes for silver change everywhere forced into circulation the following spring and summer, and it was the duty of the government to afford it."

Not all denominations were issued for each of the five issues. A total of $368,720,000 worth of these small notes was issued and $2 million of it remains unredeemed and most likely in the hands of collectors, according to Hessler. Shields of specimen fractional currency notes were often designed and sold to banks and merchants to use to compare a suspected counterfeit note against a genuine specimen.

To learn more about fractional currency, collectors can contact the Fractional Currency Collectors Board, a group of men and women interested in the study and collecting of fractional currency. The club takes its name from the initials of F.C.C. Boyd, an early collector of fractional currency.

For more information about the organization, write to Fractional Currency Collectors Board, c/o Membership Chairman Bill Brandimore, 610 Fifth St., Wausau, WI 54401. CW

SMALL FLORAL details act as engraved bookends on either side of the numeral five medallions flanking Jefferson's portrait.

A SINGLE view of Washington was used on the First Issue 10-cent note. Engraving flourishes at the corners of the note give a light, airy feeling to the note.

THOMAS JEFFERSON stares stoically from the face of this 25-cent note. Notice the lower right corner which features the name of the printer, National Bank Note Co.

WASHINGTON'S portrait is surrounded by scrollwork and stars on this First Issue 50-cent postage currency note. The portraits used resemble postage stamps.

FACE OF Second Issue fractional notes, at left, gives a clear picture of the life of a riverboat worker. Back design, at right, shows Clark's use of a double-lined numeral superimposed on the shield.

Fractional note scandal

Charges of sexual favors, bribery almost obscure significance of printing innovations

By Michele Orzano
COIN WORLD Staff

George Washington might have blushed had he known his portrait graced an issue of fractional currency whose production history harbored more than its share of moral and criminal accusations.

Washington's portrait was used on all four denominations of the second issue of fractional currency. The 5-, 10-, 25- and 50-cent notes of this issue circulated from Oct. 10, 1863 to Feb. 23, 1867. These fractional notes, whose designs resembled postage stamps, were produced from 1862 to 1875 to ease the shortage of small change during the Civil War.

Milton R. Friedberg, a recognized researcher of fractionals, wrote *the* reference work for collectors, *The Encyclopedia of United States Fractional & Postal Currency*. In his book, Friedberg recounts not only the experimental nature of this issue but also the behind-the-scenes story of its production.

According to Friedberg, the production of this issue established the use of a special paper exclusively for use of U.S. government obligations. It also established the use of engraving as the preferred method of printing currency and set a pattern for uniform face and back designs as well as the size of the different denominations.

However, the story really begins when Spencer Morton Clark was transferred to the National Currency Bureau to offer his assistance in the design of a machine "to separate bills and other products of the bureau," according to Friedberg.

Clark is well known to collectors of fractional currency as the man who put his own face on the third issue of the notes instead of the intended William Clark of Meriwether Lewis and Clark fame. The resulting uproar bounced Clark from the National Currency Bureau to the Bureau of the Mines. However, Clark had his share of bureaucratic troubles even before that incident.

Friedberg said Clark decided the price the bureau paid outside bank note printing companies was excessive and he wanted to bring the project in-house. He got permission from Secretary of the Treasury Salmon P. Chase to begin printing the second issue of fractional currency.

Among the innovations Clark launched was the printing of a bronze circle on the face of the note and a large double-lined figure of value on the back of the notes. According to Friedberg, the printing stage "actually consisted of using a rubber plate to 'print' glue (actually sizing or waterglass) and sprinkling bronze powder over the glue. This bronze ring theoretically prevented a counterfeiter from photographically reproducing the note for printing plates."

He wanted to retain the use of engraved plates but find a way to apply more pressure to eliminate the job of wetting and drying the paper in between printings. He also wanted to work on increasing the output of the presses. To do that he needed to find a special paper to increase the protection against counterfeiting.

Friedberg said Clark was opposed by the printing craft unions and the bank note companies that were in danger of losing business.

But eventually, as Friedberg tells the story, a "Dr. Gwinn of Massachusetts won the contract to develop special papers. His method was basically a means of making two very thin sheets of paper and binding them together with a distinguishing short length of fiber (silk-jute and similar fabric threads) sandwiched between the layers in the final products."

Gwinn's papermaking machinery was installed in the bureau building, which lead to charges that Clark was damaging government buildings. Other charges followed against both Clark and Gwinn, according to Friedberg, they were charged with approving "drinking and sexual parties in their offices as well as charges of required sexual activity in order to obtain a job."

CLOSER VIEW of Clark's double numeral application on back of Second Issue notes demonstrates his interest in early anti-counterfeiting devices. These notes also set the stage for uniform face and back designs.

The charges resulted in Gwinn being jailed and Clark suspended. Only after Secretary Chase became aware of the mess did he order Gwinn to be released from jail and Clark returned to his post. According to Friedberg, Gwinn refused to re-enter the Treasury building and was content to conduct his business by letter and messenger.

A Select Committee, chaired by then Rep. James Garfield, eventually cleared Clark and Gwinn of all charges – pointing out that the charges were false and the work of a detective and his girlfriend (a prostitute) whose actions were supported by Clark's enemies. The only charge leveled at Clark, and apparently fully supported, was that he was a poor record keeper.

Friedberg reports that because of the many innovations Clark introduced during this time, the government produced a "fascinating variety of issues and experimental notes. There are experimental notes that were obviously designed to check shrinking of the paper used for wet printing. There are experimentals of different attempts at papermaking and experimentals for different types of 'gold' surcharges to prevent counterfeiting. The results of these experiments were the various issued notes with key letters and numerals in the corners which are postulated to be experimental notations of paper and/or printing differences."

Altogether, there were five issues of fractional currency. These small notes were issued in denominations of 3-, 5-, 10-, 15-, 25- and 50-cents. A total of \$368,720,000 worth of these small notes was issued.

To learn more about these historic notes, collectors may want to consider joining the Fractional Currency Collectors Board, a group of men and women interested in the study and collecting of fractional currency. The club takes its name from the initials of F.C.C. Boyd, an early collector of fractional currency.

For more information, contact the Fractional Currency Collectors Board, c/o Membership Chairman Bill Brandimore, 610 Fifth St., Wausau, WI 54401. CW

BEP history

Spencer Morton Clark's ingenuity sets the foundation for nation's currency printer

By Michele Orzano
COIN WORLD Staff

For most U.S. paper money collectors there has always been a Bureau of Engraving and Printing, but history students know that wasn't always the case. This year marks the 130th anniversary of the creation of the entity responsible for printing the nation's paper currency.

The BEP's own history book, *History of the Bureau of Engraving and Printing 1862-1962*, states that the bureau "is an indirect consequence of the Civil War. It is primarily the result of the self-confidence, courage, ingenuity, and patriotism of one man, Spencer Morton Clark. It is, as well, the result of the foresight of Salmon P. Chase, President Lincoln's first Secretary of the Treasury, his confidence in Clark's ability, and his recognition of Clark's accomplishments."

The BEP is the result of the self-confidence, courage, ingenuity and patriotism of one man, Spencer Morton Clark.

The first reference on record of the use of the name "Bureau of Engraving and Printing" is found in a copy of an order of July 31, 1868, placed with John R. Hoole and Sons, New York City, for an ornamental strip with that wording, for use in printing a form needed by the Bureau, according to the sixth edition of the *Coin World Almanac*.

The first legislative recognition of the agency is found in the Act of March 3, 1869, which prohibited any work from being done "in the engraving and printing bureau for private parties."

A record of the first appropriations provided are in the Act of June 20, 1874. Additional organizational recognition is found in the Act of July 11, 1896, which provides "That all business of the Bureau of Engraving and Printing shall be under the immediate control of the director of the Bureau, subject to the direction of the Secretary of the Treasury, and the director of said Bureau shall report to and be responsible directly to the Secretary of the Treasury."

The extent to which steam presses were being used in those early days of the Bureau is recounted in the Bureau's annual report for the fiscal year 1888, which reads: "The steam presses are now printing much more than one-third of the work at the Bureau, with a great economy of rooms, labor and expense. The cost of the printing done by them is less than $80,000. To print the same work by hand would cost $180,000."

The use of distinctively marked paper in printing paper money, limited by law to this single purpose, was early recognized as one of the prime deterrents to counterfeiting.

In 1862, Secretary Chase authorized Clark to make "investigations and experiments in reference to the manufacture of a distinctive paper in the [Treasury] building." Early suppliers of such distinctive paper were Stuart Gwynn of Boston, Mass.; J. M. Wilcox and Co., Philadelphia, Pa.; and the Crane Paper Co of Dalton, Mass. Crane, the latest firm contracted with, still supplies the Bureau with distinctive paper, which will soon include an embedded plastic security thread.

Although Spencer Clark made a formal recommendation for separate facilities for the printing and processing of currency a scant three years after beginning operations, it was a good many years before the Bureau had its own building. Land for this purpose was purchased on June 26, 1878, from William W. Corcoran, Washington historical figure best known as the founder of the world-famous Corcoran Gallery of Art.

A contract for the excavation for the project was awarded the following month, and the structure, designed in Romanesque style by James G. Hill, Supervising Architect of the Treasury, was completed in record time at a cost of $300,000. It was ready for occupancy on July 1, 1880. The Bureau remained in this building until 1914 when the present Bureau headquarters was built. An annex to the Bureau was completed in 1938.

Then in 1991 operations for the BEP took a new twist with the opening of a $15 million Western Currency facility in Fort Worth, Texas, adding 288,000 square feet of additional floor space. Notes printed there have a small "FW" facility mark on the face of the notes.

Currently the BEP employs more than 2,500 people in its two facilities, operating 24 hours a day, five days a week.

In addition to production of currency the BEP also designs, engraves, and prints United States paper currency; United States postage stamps; and miscellaneous engraved items for approximately 75 departments and independent agencies of the Federal government, and its insular possessions.

White House invitations, commissions, diplomas, certificates, identification cards and liquor strip stamps are some of the approximately 200 miscellaneous products printed by the Bureau.

The principal product, however, remains currency. A face value of more than $541 billion is printed annually, averaging approximately 38 million notes a day. CW

Spencer Morton Clark puts own portrait on fractionals

Decision prompts his removal from office

By Michele Orzano
COIN WORLD Staff

In late 1864 the third of five issues of fractional currency was introduced to a tired populace. The Civil War continued to rage but events were moving the end of the war closer and closer.

The Battles of Gettysburg and Vicksburg in July 1863 marked a turning point in the war and by April 9, 1865, the South would surrender. Abraham Lincoln was re-elected as U.S. president in 1864 but in less than six months the nation would be coping with his assassination.

Into that cauldron came the next five denominations of fractional currency. The notes – 3-, 5-, 10-, 25- and 50-cent denominations – were issued from Dec. 5, 1864, to Aug. 16, 1869. Only the Third Issue series had all six denominations. The Third Issue notes feature portraits of some of the best known heroes in American history.

Fractional currency was first introduced in 1862 to ease the shortage of small change during the war. The designs of the first notes resembled postage stamps. All series are a popular collectible today.

INFAMOUS portrait of Spencer Morton Clark on the Third Issue 5-cent note caused a furor.

ANOTHER VIEW of George Washington was used on this Third Issue 10-cent note.

Fractional note researcher Milton R. Friedberg, literally wrote the reference book for collectors, *The Encyclopedia of United States Fractional & Postal Currency*. Friedberg characterizes the Third Issue as one "threaded with fascinating stories." One of those stories involves the apparent Walter Mitty-type personality of Spencer Morton Clark.

Clark is well known to collectors of fractional currency as the man who put his own face on the 5-cent notes of the Third Issue instead of the intended William Clark of Meriwether Lewis and Clark fame. Clark, as director of the National Currency Bureau, either intentionally decided or was misguided in his decision to use his own portrait. Congress clearly wanted to honor the explorer not the government bureaucrat.

According to Friedberg, "S.M. Clark's effrontery in using his own portrait led to a congressional uproar and brouhaha in addition to the release of Clark from the National Currency Bureau (he eventually landed in the Bureau of Mines.)"

In addition Congress passed the still existing rule forbidding the use of the images of "a living American" on the notes and obligations of the U.S. government.

It seems more than ironic to students of fractional currency history to know that Third Issue 50-cent notes featuring a portrait of Gen. Francis E. Spinner, and 25-cent notes with a portrait of William Pitt

Please see **FRACTIONAL** Page 48

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Fessenden, continued to circulate. Spinner, who served as U.S. treasurer from 1861 through 1875, is well known for his elaborate signature on these notes.

Fessenden served as secretary of the treasury in 1864.

According to Friedberg, an experimental printing of 50-cent notes was the first order of business for the Third Issue notes. The 50-cent red reverse Justice with Scales notes were signed by S.B. Colby and Gen. Francis E. Spinner and were surcharged S-2-6-4 on the reverse.

The experimental printing was done on Nov. 14, 1864, and consisted of 255 sheets of 12 each, for a total of 3,060 notes.

Those notes were quickly counterfeited and had to be replaced with notes bearing Spinner's portrait.

FANCY signature of Francis E. Spinner along with his portrait are used on the second design used on the 50-cent note for the Third Issue.

MUTTON-CHOPS on portrait of William P. Fessenden gives just the right look to this Third Issue 25-cent note.

Two other incidents stand out in the Third Issue. The size of the notes correlated to the denomination with the 3-cent issues smaller than the 50-cent issues.

According to Friedberg, this issue also marked the almost universal use of Dr. Stuart Gwinn's membrane paper made with silk or jute fibers between the paper layers.

Two different portraits of George Washington were used on Third Issue notes – one on the 3-cent note and another on the 10-cent issue.

To learn more about fractional currency, you might be interested in joining the Fractional Currency Collectors Board, a group of men and women interested in the study and collecting of fractional currency.

The club takes its name from the initials of F.C.C. Boyd, an early collector of fractional currency.

For more information, contact the Fractional Currency Collectors Board, c/o Membership Chairman Bill Brandimore, 610 Fifth St., Wasau, WI 54401. CW

WASHINGTON'S portrait is wreathed and set off center-stage on this Third Issue 3-cent note.

PORTRAITS OF Civil War heroes, William T. Sherman on the left and U.S. Grant on the right, were used on the Third Issue 15-cent notes.

HEAD AND shoulders of this allegorical representation of Liberty **can be seen** on the 10-cent fractional notes of the Fourth Issue.

Fourth Issue fractional notes display patriotic designs

Young nation already familiar with war

By Michele Orzano
COIN WORLD Staff

The United States was not yet 100 years old when the Fourth Issue of fractional currency was issued in 1869. However, already the nation knew the tragedy of war.

Perhaps that's the reason for the patriotic and war-related design themes selected for the four denominations of fractional currency issued between 1869 and 1875. Two presidents who led the nation during wars, two secretaries of war and vigilant-looking Liberty designs were used on the fourth of five issues of fractional currency.

These small notes, the first issue of which resembled postage stamps, were circulated from 1862 to 1875 to ease the shortage of small change during the Civil War. These small notes were issued in 3-, 5-, 10-, 15-, 25- and 50-cent denominations. A total of $368,720,000 worth of these small notes was issued.

Milton R. Friedberg, a recognized researcher of fractionals, wrote the reference work for collectors, *The Encyclopedia of United States Fractional & Postal Currency*.

Two different designs featuring the personification of Liberty in female form were used in the Fourth Issue. A vigilant-looking Liberty wearing a Liberty cap and breastplate of chain mail appears ready to defend the country's freedom from invaders within and without.

The image of Liberty used on the 15-cent note depicts a fiercer looking image. She wears a helmet encircled with stars and a crest featuring an eagle's head and feathers. The image resembles the Statue of Freedom that stands atop the U.S. Capitol Dome in Washington, D.C.

The 19-foot bronze statue was placed on the dome in 1863. American artist Thomas Crawford designed it in 1856. The statue's right hand rests upon the hilt of her sheathed sword and her left hand holds a laurel wreath of victory and the shield of the United States with 13 stripes. The lower part of the base the statue stands on, located 307 feet above the ground, is decorated with fasces and wreaths.

The statue may have been the inspiration for the image of Liberty on the fractional currency as it also incorporates laurel and wheat wreaths above the note's image and a fasces below the portrait. The fasces is a bundle of rods with a battle-ax protruding, a symbol of unity, and the wreaths are symbols of victory. A modern day example of the use of the statue's image can be seen on the obverse of both the 1989 Bicentennial of Congress copper-nickel half dollar and silver dollar commemorative coins.

The patriarch of American heroes, George Washington, was the subject of a portrait used on the 25-cent notes from the Fourth Issue. Perhaps his experience in war and peace prompted the use of his

Please see **PATRIOTIC** Page 52

ANOTHER view of the personification of Liberty was used on this 15-cent note.

PATRIOTIC from Page 50

PORTRAIT of Washington [illegible] patriotic theme on the 25-cent notes of this issue.

image. Another presidential image, that of Abraham Lincoln, was used on the first of three designs issued for the 50-cent denomination.

It's significant that Lincoln's portrait should appear on this issue of fractional notes. He had been persuaded by Secretary of the Treasury Salmon P. Chase to sign into law in 1862 a bill authorizing the acceptance of stamps as currency. These postage currency notes were the forerunners of fractional currency.

The handsome portrait of Lincoln quickly disappeared from the scene when the note was counterfeited. The replacement portrait was that of Edwin M. Stanton, Lincoln's secretary of war. Stanton, who died in 1869, served as secretary of war for Andrew Johnson as well.

When the Stanton notes were counterfeited, notes with a portrait of Samuel Dexter, who served as secretary of war and the treasury from 1800-1802, were used through the end of the Fourth Issue period.

According to Friedberg, the Fourth Issue is also significant for the fact that paper experiments continued "through the attempts to use a watermark to prevent counterfeiting. The watermark was discontinued since it made the paper weak and thus had a short life. Other attempts included the use of a localized strip containing blue fibers in the paper."

Friedberg said the localized strip was "obtained by imbedding between the two layers of paper a strip about three-inches wide of blue dyed fibers." The notes were printed in vertical strips so that the "right end of each obverse was in the localized fiber area. Depending on the amount of fading of the blue dye, the notes have varying depth of blue stain in the fiber area. On certain notes, a sizing compound was applied after printing to increase wearablity and note life."

Friedberg said the use of a Treasury seal was added to increase security.

He also noted two other significant changes for this issue – the use of engraved signatures and different sized notes for different denominations were both abandoned.

To learn more about fractional currency, collectors may want to consider joining the Fractional Currency Collectors Board, a group of men and women interested in the study and collecting of fractional currency.

The club takes its name from the initials of F.C.C. Boyd, an early collector of fractional currency.

For more information, contact the Fractional Currency Collectors Board, c/o Membership Chairman Bill Brandimore, 610 Fifth St., Wasau, WI 54401

USE OF Lincoln portrait short-lived on the often counterfeited 50-cent notes of this issue.

PORTRAITS OF Samuel Dexter, left, former Secretary of War and Secretary of the Treasury, and Secretary of War E.M. Stanton, right, were used on 50-cent notes from the Fourth Issue of fractional currency.

The Tale of Three Secretaries

Portraits on last issue of fractional currency feature past servants of the nation

By Michele Orzano
COIN WORLD Staff

Though the Civil War ended in 1865, the scarcity of small change did not.

There was still a need for the fractional currency that had been issued since 1862.

In fact the fifth and last issue of fractional notes circulated from 1874 to 1876 but only in denominations of 10-, 25- and 50-cents.

These small paper notes, whose designs resembled postage stamps, were circulated in denominations of 3-, 5-, 10-, 15-, 25- and 50-cents beginning in 1869.

Milton R. Friedberg, recognized researcher of fractionals, is the author of the standard reference work for collectors, *The Encyclopedia of United States Fractional & Postal Currency*.

Friedberg said the issuance of the Fifth Issue was "totally anticlimactic in that specie became available in this period and the public rapidly deserted fractional currency in favor of coinage."

The fifth issue features the portraits of three men who all served as secretary of the Treasury Department.

William H. Crawford was the 7th secretary who served from 1816-1825. Crawford served under both Presidents James Madison and James Monroe.

Crawford's portrait was used on the Fifth Issue 50-cent notes. As an interesting aside, notes with Crawford's portrait on them always attract attention because of the physical resemblance the former secretary shares with comedian Bob Hope.

Crawford was a leader in Southern politics. He served in the U.S. Senate from Georgia and even ran for President in 1824. He lost that race to John Quincy Adams.

Robert Walker served as the 18th secretary from 1845 to 1849 and his portrait was used on the 25-cent notes of this issue.

Walker was appointed to the position in the Treasury Department by President James K. Polk.

Walker served in a variety of leadership positions throughout his life. He was the leader of the Democratic party in Pennsylvania in 1824 and was a key supporter for Andrew Jackson's presidential campaign. He later moved to Mississippi to work with his brother in a law practice.

BOB HOPE "look alike" portrait of William H. Crawford appeared on the last issue of 50-cent fractional notes. Crawford served as the 7th secretary of the Treasury under Presidents James Madison and James Monroe but most of his accomplishments can't be recalled by most collectors except his physical appearance.

In 1835 he was elected to the U.S. Senate. While secretary Walker pushed for an independent Treasury system. After leaving Treasury in 1849, Walker became a businessman and land speculator.

Walker also served a brief term as governor the Kansas Territory but resigned due to Southern extremists.

William Meredith was the 19th secretary from 1849 to 1850. His portrait was used on the Fifth Issue 10-cent notes.

Meredith, a native of Pennsylvania, served under Presidents Zachary Taylor and Millard Fillmore. Not much more is known about Meredith except he died in 1873.

The use of portraits of well-known public servants was common on all five issues of fractional currency.

In fact, collectors can increase their knowledge of historical events and individual contributions by reviewing the portraits used on these small notes.

The First Issue featured a variety of portraits of George Washington and Thomas Jefferson. This First Issue most closely resembeled the postal currency idea first proposed by Salmon P. Chase.

The first two issues of fractional currency ranged in denominations from 5-cents to 50-cents while the Fourth Issue ranged from 10-cents to 50 cents and the Fifth Issue had only three denominations. Only the Third Issue had all six authorized denominations from 3-cents to 50-cents.

Several living government officials had their portraits reproduced on fractional currency including Abraham Lincoln, William P. Fessenden, S.M. Clark and F.E. Spinnger.

One of the more interesting stories in the fractional currency history deals with Spencer Morton Clark, director of the National Currency Bureau.

Clark chose to use his own portrait in place of William Clark of Meriwether Lewis and Clark fame. This act so enraged Congress that they passed the still existing rule forbidding the use of the images of a "living American" on the notes, coinage and obligations of the U.S. government.

Portraits of other patriots like Civil War Gens. William T. Sherman and U.S. Grant were used on the early issues of fractional notes.

Portraits of five cabinet officials were also used on earlier issues of fractional currency including secretary of War E.M. Stanton on the Fourth Issue 50-cent notes, secretary of War and secretary of the Treasury Samuel Dexter on the Fourth Issue 50-cent notes.

Former secretary of the Treasury William P. Fessden's portrait, showing his flowing mutton-chops, was used on the Third Issue 25-cent notes.

Fractional notes are collectable and anyone interested in learning more about fractional currency might be interested in joining the Fractional Currency Collectors Board, a group of men and women interested in the study and collecting of fractional currency.

The club takes its name from the initials of F.C.C. Boyd, an early collector of fractional currency.

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ROBERT WALKER, 18th secretary of the Treasury, can be seen on the Fifth Issue 25-cent notes, at right. Walker was appointed to the position by President James K. Polk. Above, William Meredith's portrait was used on the Fifth Issue 10-cent notes. Meredith followed Walker as secretary of the Treasury and worked for Presidents Zachary Taylor and Milard Fillmore.

Fifth Issue 50-cent Fractional immortalizes Crawford

By Brent Hughes

Many historians believe that if William Harris Crawford had not suffered a sudden illness at a critical time in his career, he would have been elected president of the United States. Yet few people know who he was, and even paper money collectors usually know only what their guidebooks say – that Crawford served as Secretary of War and Secretary of the Treasury between 1815 and 1825.

Crawford's face is familiar to collectors of U.S. Fractional Currency, the small notes that served so well as substitutes for coins during and after the Civil War. The fifth and final issue of these notes, from Feb. 26, 1874, to Feb. 15, 1876, consisted of only three denominations, 10 cents, 25 cents and 50 cents.

Sensitive to criticism by the Congress over some of their previous choices of individuals to be portrayed on paper money, Treasury officials now chose three long-deceased, non-controversial former Secretaries of the Treasury to appear on the notes. William M. Meredith would appear on the 10-cent note, Robert J. Walker on the 25-cent note, and William H. Crawford's portrait would be used on the exquisitely-engraved 50-cent note. The front of this note would be produced by the Bureau of Engraving and Printing, the back by the Joseph R. Carpenter Company of Philadelphia, a private contractor.

The years from 1870 to 1875 saw production records being set by the U.S. Mint branches as they worked to restore the nation's coin supply. The public could hardly wait to switch from the fragile notes to the more durable and convenient coins, so much of the final issue of Fractional Currency was put away and preserved, many in the original packs with Treasury bands.

As a result, today's collectors can still purchase a 50-cent note in fine

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The face of the Fifth Issue 50-cent Fractional Currency note was created by the Bureau of Engraving and Printing in Washington, D.C. Very tiny letters at the lower corners of the portrait identify the man shown on the face as "William H. Crawford, Secy. Treasury 1817 to 1825." The back of the note was engraved and printed by the Joseph R. Carpenter Company of Philadelphia. Note the small fibers imbedded in the paper along the left end of the note as an anti-counterfeiting measure. Actual note size is 4-3/8 inches x 2-1/8 inches.

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condition for around $15 and one in crisp uncirculated condition for about $40. A collection of the small notes always proves to be a fascinating exhibit because the public is not aware that we ever had such paper money.

Crawford was born in Amherst County, Va., on Feb. 24, 1772. After graduating from college, he taught school for a time before securing a position as principal of a large academy in Augusta, Ga. Being ambitious, he found time to "read for the law," as legal training was called in those days, and was admitted to the bar in 1798.

Like most young lawyers, he suffered from a lack of clients and had to augment his small income by holding public office. In 1803, Crawford was elected to the Georgia House of Representatives and was on his way to a long career in politics.

Crawford's temperament was similar to that of Lyndon Baines Johnson of recent history. Tall, vigorous and always in a hurry, he could be rude and "lacking in civility," as one historian puts it. But he also had unquestioned integrity which attracted a large following.

In the Georgia House, Crawford fit right into state politics, which was, to say the least, rough and tumble. Since 1733 when James Oglethorpe and his settlers had landed at the mouth of the Savannah River, Georgia had been the scene of constant strife between white men and the American Indians.

The colony encompassed all the territory from the Atlantic Ocean to the Mississippi River, and several generations of rich men would attempt to gain title to the millions of acres west of the settled area near the Savannah River.

By 1737, many businessmen in the Savannah area were looking at the large profits being made in neighboring South Carolina where black slaves toiled on huge cotton plantations. Thus, agitation began to allow slavery in Georgia. Local politics became a violent profession with duels, fist fights and even murder occurring quite often.

Complicating things were the Spanish, who still had designs on Georgia and kept things stirred up until Oglethorpe and 600 of his men thrashed a Spanish force of 2,800 at St. Simons Island. With that defeat, the Spaniards made a complete withdrawal, leaving the Georgians to fight it out with the Indians.

In 1750 the trustees of the English Crown lifted the ban on slavery and the colony was changed forever. No longer known as a "debtor's colony" as established by Oglethorpe, it would gradually be cleared of trees and become a land of fine plantations. The invention of the cotton gin in 1793 made large plantations very profitable for the first time.

The treaty of peace that ended the Revolutionary War left Georgia intact all the way to the Mississippi River, and rich men in Philadelphia and New York still wanted to buy the vast area.

Unfortunately, the economy of Georgia was hampered by a lack of circulating money. Silver and gold were scarce, so the state had to experiment with various forms of paper obligations.

The artists at the BEP may have used this early portrait of William Crawford as a guide to their engraving. There was probably also a large painting of the secretary somewhere in the Treasury Building.

Warrants signed by the governor directed the treasurer to pay out funds that he did not have, so the warrants actually circulated as their holders sold them at discounts to people who could use them to pay taxes.

In 1786 the state issued £20,000 in paper money, redeemable in four years with proceeds from sales of land still claimed by Indians. The redemption date was then extended four years and the money depreciated so quickly that it was deemed a failure.

As punishment for supporting the British during the war, area Cherokee were forced to give up claims to more than four million acres that were opened to settlers. The Creek, however, were obstinate and continued to fight.

Georgia ratified the new federal Constitution in 1788, placing it among the first states to do so. Officials thought that having the more powerful national government behind them would be advantageous, but they soon learned differently. They watched in disgust as George Washington sent a group of commissioners to Georgia in 1789 with orders to settle the problems involving the Spanish, the Creek and the U.S. government. The Georgians found themselves shoved aside as the commissioners took over.

Alexander McGillivray, chief of the Creek, was a clever negotiator, and when things did not go to his liking, he simply rode away in the middle of the night. The commissioners gave up and went home.

A year later the federal government tried again. McGillivray was invited to bring a delegation of 35 to a conference in New York, then the capital of the United States. The government rolled out the red carpet, gave special medals to the sub-chiefs and made McGillivray a brigadier general in the U.S. Army with an annuity of $1,200 a year.

McGillivray had a long conversation with Washington but went home with a clever plan. He immediately contacted Spanish officials in Florida and told them of Washington's generosity. The officials listened and countered with an offer of $2,000 per year, which the chief accepted. He worked for both sides until his death three years later while the Georgians ignored the so-called Treaty of New York.

This bickering over the unsettled territory went on for years. The Indians were gradually pushed westward as white settlers sought to obtain titles to farm-size parcels. Land speculators poured into Georgia, setting up a number of plans to obtain huge tracts of prime real estate for about two cents per acre. The two most outrageous of these plans were eventually referred to as the Pine Barren Speculation and the Yazoo Fraud. Details of these plans can be found in the book *The Georgia Story* by Professor James C. Bonner, Georgia State College for Women, Milledgeville, 1958. Superbly written, the book reveals an incredible sequence of events.

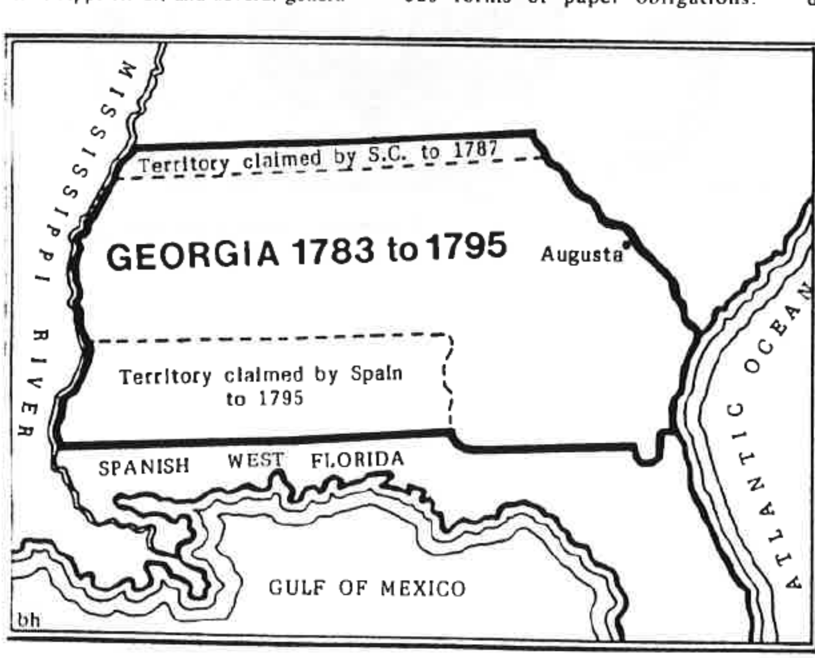
All this activity culminated in 1810 when the western boundary of Georgia was finally fixed at the lower Chattahoochee River, where it remains today. By being one of the leaders of opposition to the fraudulent land-grabs, William Crawford endeared himself to Georgia voters, and in 1807 they elected him to the U.S. Senate. Five years later he was elected president pro tem where he served with distinction for a year.

President Madison then offered him the cabinet post of Secretary of War, but Crawford chose instead to serve as Minister to France. In 1815 Crawford returned to Washington to become Secretary of War. In 1817 he became Secretary of the Treasury, where he remained until 1825.

It was during this time that Crawford became involved in what would become a strange episode in American politics. In 1816 he made known his desire to become president by contesting the nomination of James Monroe. Crawford lost by a vote of 65 to 54, but he still kept his position as Treasury Secretary.

The presidential election of 1824 would be the major event in Crawford's career. At that time, nominees were selected by a congressional caucus, a system so confusing that it would eventually be discontinued. Crawford was said to have had the votes even though he was in a contest with such men as John Quincy Adams, Henry Clay, Andrew Jackson, John C. Calhoun and DeWitt Clinton.

The infighting became fierce and the strain was apparently too much for Crawford. He suffered a stroke that left him partially paralyzed. His speech was not impaired but he could barely walk.



The treaty of peace that ended the Revolutionary War gave Georgia the territory from the Atlantic Ocean to the Mississippi River. Parts were still in dispute, being claimed by South Carolina and Spain. The states of Alabama and Mississippi were later formed from the area to the west of Georgia's present boundary.

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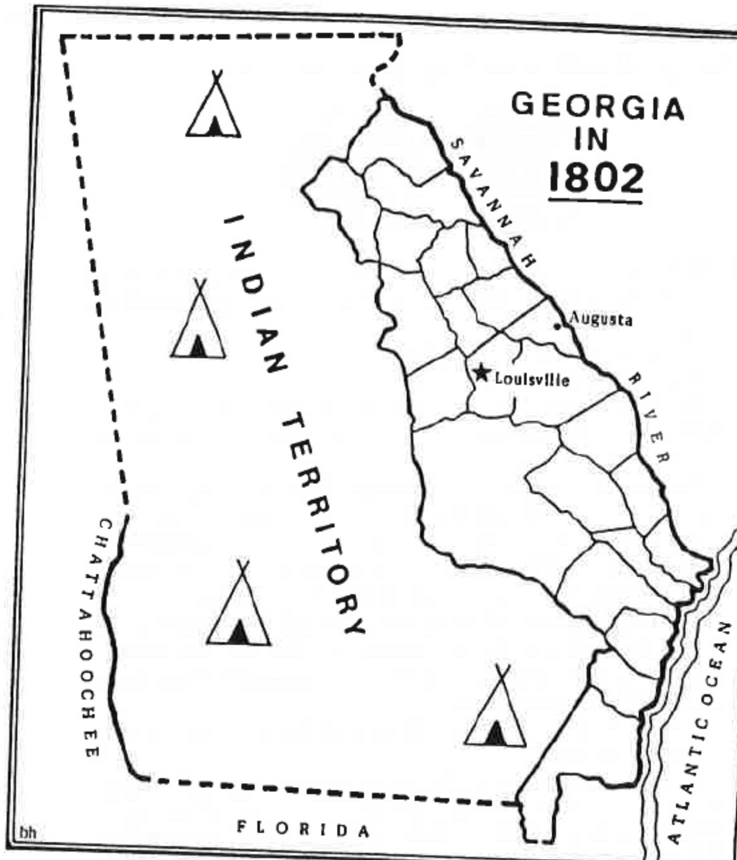

The eastern part of Georgia had been settled and divided into counties by 1802, with Louisville as the capital. In 1810 the western boundary was fixed along the lower Chattahoochee River and a surveyed line along northward from present-date West Point. By opposing several fraudulent land-grab schemes to gain title to the unsettled territory still occupied by American Indians, William Crawford was rewarded by being elected to the U.S. Senate in 1807.

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One of his friends said, "It is the general impression that a slight return of his disorder would prove fatal to him."

Crawford's friends were loyal, so even though they were concerned about the paralysis, they continued to work toward holding the caucus. The other candidates urged their supporters to boycott the proceeding. Two hundred and sixty-one members were eligible to vote but only 68 participated, giving Crawford 64 votes.

In the ensuing uproar, John Quincy Adams was nominated by the New England states, Henry Clay was nominated by the Kentucky legislature, Andrew Jackson was named by Tennessee, Calhoun by South Carolina and Clinton by some counties in Ohio.

With no specific day fixed for the election to be held, it began on Oct. 29 and continued until Nov. 22. Jackson won with 99 electoral votes, with Adams receiving 84, Crawford 41 and Henry Clay 37. Since no one had the majority, the House of Representatives would have to choose the president from among the top three candidates.

Obviously Clay could decide the winner by asking his supporters to support one of the three. Feeling that Jackson was too dictatorial and that Crawford's health was too fragile, Clay chose Adams. It was a peculiar spectacle which left everyone uncomfortable because Jackson had received the largest number of popular votes and the highest number of electoral votes, yet Adams ended up with the presidency.

When Adams began to assemble his cabinet, he asked Crawford to remain as his Treasury Secretary but Crawford declined. He wanted to return to Georgia, he said, and try to recover his health. He was successful to the point that he became a circuit judge in 1827, moving from one court to another within his circuit. He was presiding in Elberton, Ga., on Sept. 15, 1834, when he became ill and died.

He had been a controversial figure with many friends and quite a few enemies, but people admired his integrity. Historians at the Treasury Department also admired him because they apparently recommended that his portrait be used on the Fifth Issue 50-cent Fractional Currency note. The tiny notes that served our country so well in a time of crisis serve as his monument.

1863 Aluminum Postage Currency 10¢

1081 **1863 pattern dime. P-397, J-327. Rarity-6. Exchanged for U.S. Notes/Postage Currency. Proof-63 (PCGS). Aluminum. Plain edge.**

Obverse Design: As preceding.

Reverse Design: As preceding.

Surfaces: Light gray with minor hairlines. A sharp impression with all details nicely defined. Numerous obverse and reverse spots.

Narrative: During the Postage Currency experiment, samples were prepared utilizing various compositions. Mint Director Pollock sent various samples to Secretary of the Treasury Salmon P. Chase, with a description of each. Regarding the aluminum samples, Pollock noted "In aluminum, one weighs eight grains: about as thin as would be practicable: intrinsic value about five cts; nominal value ten cts." An interesting side note to this report is the value of aluminum in 1863, about $3.00 per troy ounce.

This aluminum striking is especially important from a numismatic viewpoint.

Technical Aspects: Weight: 7.9 grains. Diameter: 17.7 mm. Die alignment: 180°. Die notes: Faint die cracks are visible on both obverse and reverse. Minor die rust is present on both surfaces. Obverse with break from U.S. left to rim, splitting, and one branch continuing to left base of E. Another break from rim touching left of N (in exchange) to and through shield, arrow feathers, right side of E (in NOTES), to border.

Purchased from Numismatics, Ltd., August 12, 1974.

1863 Postage Currency 10¢

P-399, Tin

1082 **1863 pattern dime. P-399, J-329. Rarity-6. Exchanged for U.S. Notes/Postage Currency. Proof-65 (PCGS). Tin. Plain edge.**

Obverse Design: As preceding.

Reverse Design: As preceding.

Surfaces: Very slightly bent, not unusual for this very soft composition. Reflective light gray surfaces with minimal impairments.

Narrative: Two weight standards were reported by Mint Director Pollock, including examples at 21 grains and others at 27 grains. Andrew Pollock reports two compositions, 97% tin and 3% copper, or 75% tin and 25% copper. An interesting experiment would involve elemental analysis of examples from the different weight standards.

Technical Aspects: Weight: 21.0 grains. Diameter: 17.7 mm. Die alignment: 180°. Die notes: From the same dies as the previous lot, with die cracks not as advanced. There is no evidence of die rust.

From Stack's sale of the Massachusetts Historical Society Sale, March 29, 1973, Lot 325.

1863 Postage Currency 10¢

Tin-Copper Alloy

1083 **1863 pattern dime. P-399, J-330. Rarity-6. Exchanged for U.S. Notes/Postage Currency. Proof-65 (PCGS). Tin-copper. Plain edge.**

Obverse Design: As preceding.

Reverse Design: As preceding.

Surfaces: Attractive amber and light blue toning over mirrored surfaces.

Narrative: Attribution is tentative in absence of specific elemental analysis.

Technical Aspects: Weight: 24.5 grains. Diameter: 17.8 mm. Die alignment: 180°. Die notes: Obverse die cracks similar to the previous lot. Reverse die break connects the E in POSTAGE to the first C in CURRENCY.

Purchased from Numismatics, Ltd., August 12, 1974.

1868 Fractional Currency Redemption 10¢

P-715, Silver

Possibly Unique

1084 **1868 pattern dime. P-715, J-643. Rarity-8. Exchanged for U.S. Notes. Proof-65 (PCGS). Silver. Reeded edge.**

Obverse Design: As preceding, as used on the Postage Currency redemption patterns of 1863.

Reverse Design: Similar to the adopted reverse of the regular-issue dimes with the addition of a star above the denomination, and the date, 1868, below.

Surfaces: A superb, brilliant Proof with silvery white surfaces and minor abrasions, including a few light planchet flakes. Generally sharp although an area of weakness is visible at 2:00 on the obverse and 4:00 on the reverse.

Narrative: This issue combines the 1863 Postage Currency redemption obverse die, with legend EXCHANGED FOR U.S. NOTES with a new reverse, no doubt as by 1868 the redemption of *Postage* Currency notes (issued in 1862 and redeemed beginning in 1863) was no longer an important question. It can be conjectured that the present 1868 pattern was intended for the redemption of *Fractional* Currency notes, first issued in 1863, many of which were becoming quite tattered. Perhaps no successor to the 1863 die, such as a new 1868 reverse die with an inscription reading FRACTIONAL CURRENCY, was needed, inasmuch as the 1868 coin could be used to redeem either Postage Currency or Fractional Currency notes.

The present coin is the only one known to Andrew W. Pollock and Harry Bass, and we trace no other. Its rarity is long standing, as evidenced by its being unknown to R. Coulton Davis and William H. Woodin (Adams-Woodin text writer). Moreover, as this specimen is in silver, it becomes all the more important. For the pattern specialist, for the Fractional Currency specialist, this offering may well be a once in a lifetime opportunity.

Note: In the 1973 FUN sale, this coin was offered as Judd-644, the same design in nickel composition. Currently this identical coin is included in the Pollock reference as P-7[illegible], J-643. The exact composition has not been verified by us.

Technical Aspects: Weight: 31.7 grains. Diameter: 17.9 mm. Die alignment: 180°. Die notes: Obverse with break from U.S. left to rim, splitting, and one branch continuing to left base of E. Another break from rim touching left of N (in exchange) to and through shield, arrow feathers, right side of E (in NOTES), to border. The obverse has light die cracks, while the reverse has traces of die rust.

From our sale of the William Sieck Collection, July 28, 1981, Lot 80. Previously from RARCOA's 1973 FUN Sale, Lot 588. Illustrated in United States Patterns and Related Issues, *by Andrew W. Pollock III, as figure 281.*

1868 "Fractional Currency" Dime

P-716, Nickel

1085 **1868 pattern dime. P-716, J-644. Rarity-7. Exchanged for U.S. Notes. Proof-65 (PCGS). Nickel. Reeded edge.**

Obverse Design: As preceding.

Reverse Design: As preceding.

Surfaces: Light gold toning with moderately reflective Proof surfaces and very light cameo devices. Similar to the previous lot regarding overall strike and quality.

Narrative: Patterns of this design were produced in silver, nickel, copper, and aluminum. All are very rare, with nickel and aluminum examples very slightly less rare than the unique silver or very rare copper. Probably not more than eight to 10 examples of this issue exist in nickel. Another important opportunity.

Technical Aspects: Weight: 30.8 grains. Diameter: 17.8 mm. Die alignment: 180°. Die notes: Equivalent to the previous lot.

From Abner Kreisberg's "Quality" Sales Corp, November 30, 1970, Lot 1290.

Superb Gem 1868 "Fractional Currency" 10¢

Issued for Exchange with Currency

1086 **1868 pattern dime. P-717, J-645. Rarity-7+. Exchanged for U.S. Notes. Proof-67 BN (PCGS). Copper. Plain edge.**

Obverse Design: As preceding.

Reverse Design: As preceding.

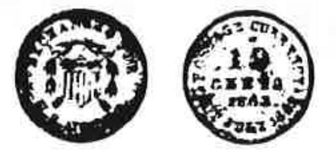
Surfaces: Deep maroon with bright blue and light amber toning. Light surface spots and abrasions are visible. This lovely coin has a double struck reverse with about 5° rotation between strikes, a most interesting characteristic. There is no evidence of obverse doubling.

Narrative: In all compositions, combined, we estimate only about two dozen examples survive from this die combination. Perhaps only four or five examples survive in copper.

Technical Aspects: Weight: 28.0 grains. Diameter: 17.6 mm. Die alignment: 360°. Die notes: Obverse similar to the previous two lots. The reverse, however, does not exhibit any traces of die rust.

Purchased from Brinton T. Schorer, May 3, 1973.

1863 Postage Currency 10¢



1080 **1863 pattern dime. P-390, J-325. Rarity-6. Exchanged for U.S. Notes/Postage Currency. Proof-64 (PCGS). Silver. Plain edge.**

Obverse Design: A shield with inverted laurel wreath suspended from a ring above. Two arrows are crossed behind the shield with the inscription, EXCHANGED FOR U.S. NOTES, around.

Reverse Design: The denomination and date, in three lines, 10 CENTS 1862, are surrounded by the inscription, POSTAGE CURRENCY, above, and ACT JULY 1862, below.

Surfaces: Reflective Proof surfaces with light blue peripheral toning. Moderate hairlines are visible on the reverse along with a long lint mark as made. Very slightly bent.

Narrative: Postage Currency (precursor of Fractional Currency) was first issued as a temporary expedient to solve the dilemma of coin hoarding, when coins were removed from circulation as fast as they were struck, causing a virtual collapse of commerce along the eastern seaboard beginning in July 1862. This 10-cent coin was proposed to provide for redemption of the Postage Currency notes in circulation. As such, this is one of the most important patterns issued in this era, from both numismatic and historical perspectives.

Technical Aspects: Weight: 20.1 grains. Diameter: 17.7 mm. Die alignment: 180°. Die notes: Some obverse die breaks. Reverse die break connects the E in POSTAGE with the C in CURRENCY.

Postage Currency and the Financial Crisis: In 1862 the Civil War was raging, and the outcome was uncertain. Some foreign countries (England being the prime example) dallied with the idea of recognizing the Confederate States of America, while others sided with the Union. Meanwhile, as in other times of national emergency, the public tried to squirrel away items of lasting value. In the second week of July, 1862, there was a flurry of hoarding throughout the Eastern and Midwest sections of the United States. By month's end no silver coins were seen in circulation, and copper-nickel Flying Eagle and Indian cents—once ubiquitous—were few and far between. Gold coins had not been seen in general trade since the preceding January.

As a palliative Congress passed the Act of July 17, 1862, stating that ordinary postage stamps could be used as money in paying federal debts up to \$5. The intent of this law was subverted soon thereafter, and the Treasury ordered a supply of privately printed notes popularly referred to as Postage Currency, although there had been no legal provision for them. (Today these are collected as part of the Fractional Currency series.) Postal Currency notes were first distributed to Army paymasters in August 1862 and to the public in September. By early 1863 about \$100,000 of these notes reached circulation per day, but the demand remained unsatisfied. Denominations were 5¢, 10¢, 25¢, and 50¢. The first of these notes had perforated edges just like stamps.

Meanwhile, in New York City in mid-July, 1862, there were no silver three-cent pieces, half dimes, or other coins of intrinsic value with which to buy a glass of soda or a mug of beer or a streetcar ride, unless such coins were purchased at a premium from a speculator. The scene was set, and for over a decade, beginning in the summer of 1862, substituting in the place of silver coins were many privately issued items including tickets and small notes printed in values from 1¢ upward, government postage stamps placed in privately printed envelopes and brass frames (the latter known as encased postage stamps), and a vast flood of small one-cent-size bronze (mostly) and brass tokens.

The Postal Currency notes served well, but in 1863 it was decided to replace them with another issue of paper. Under the provisions of the Act of March 3, 1863, the federal government issued Fractional Currency notes in denominations from 5¢ to 50¢, but this distribution did not begin until October 10 of the same year. At this time the tattered Postage Currency notes began to be gradually retired.

The presently offered pattern 10¢ piece was intended to facilitate such redemption. However, it never went beyond pattern status. The series, presently under study by David Cassell, has many interesting die states and progressions.

Purchased from Numismatics, Ltd., August 12, 1974.

IN MEMORIAM

RAY ELLENBOGEN, MEMBER #217 DIED AT HIS HOME FEB. 17. HE WAS A GOOD FRIEND AND WILL BE GREATLY MISSED.

Ellenbogen dies at age 74

Numismatic Ambassador Raphael "Ray" Ellenbogen died in his sleep Feb. 17 at his home in Columbus, Ohio, at the age of 74.

Mr. Ellenbogen was a hobby dynamo and was recognized as such June 26, 1998, when he was given the Ambassador Award at the Mid America Coin Expo in Milwaukee, Wis.

His latest collecting passion was ancient Judaean coins. Previously he had built extensive collections of U.S. error notes and modern Israeli coinage.

Raphael "Ray" Ellenbogen, right, accepts his Numismatic Ambassador Award from "Numismatic News" editor David C. Harper in this 1998 photo.